The AGRICULTURAL SITUATION

Bureau of Agricultural Economics • U. S. Department of Agriculture

Volume 32 JANUARY 1948 Number 1

Farm Machinery Prospects

MORE new farm machinery will be on the market for farmers in 1948 than in 1947. Production of farm machinery in 1948 will probably be enough above 1947 to allow for a slight rise in total exports and still leave more new machines for the home market than in 1947 or any other year. However, export demand for some types of tractors and machines may be relatively high in relation to our production of these machines.

Farm-machinery output in 1947 probably was about 15 percent above the previous record of 1946. More materials, new plants, and expanded facilities in established plants, are all helping to roll more machines off the assembly lines.

At the same time, the export demand, especially tractors and tractor equipment, is exceptionally strong. Our farmers depend mostly on American factories to supply their machinery needs. Only a small percentage of our machinery is imported, principally from Canada, and 10 percent or more of our output has been exported in most recent years. In 1947, exports probably took more than 15 percent of our total farm-machinery output. Those exports were larger than for any recent year. Shipments to Europe this year may total about 4 percent of the 1947 output. Exports to non-European countries in 1948 may slacken somewhat from the 1947 peak, as dollar shortages in some countries may cut down their purchases.

Output of all important items of farm machinery is expected to continue rising. Especially marked gains are likely in one-plow tractors and adapted equipment. With more tractor production in prospect, the tractor shortage probably will be relieved to a large degree in many areas. The same applies for combines and many other important labor-saving machines. Tractor numbers on January 1, 1949, will likely be around 200,000 greater than a year earlier. Around 40,000 more combines will be available for the 1948 harvest than in 1947. With the average of farm incomes exceptionally high, demand for some types of tractors and tractor equipment is expected to stay large in relation to supplies.

A further increase in the out-turn of motor vehicles and supplies of most electric appliances is in prospect. Our total output of automobiles and motor trucks in 1947 is expected to approximate 4.8 million units, a gain of more than 50 percent over 1946. Production of motor vehicles in 1948 may be the highest of record, possibly exceeding the 1929 output of 5.35 million units by about 10 percent.

Prices of farm machinery and motor fuel rose significantly in 1947, but there were some decreases in tire prices.

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Outlook High Lights

WHEAT: Another billion bushel wheat crop? . . . The December *winter wheat* report, first on the new crop, set winter wheat seedings at 58,648,000 acres, a new record. Production was estimated at 839 million bushels—assuming normal development through harvest. If farmers plant as many acres to spring wheat in 1948 as in 1947 and yields are average, a total crop of over one billion bushels is possible.

Final 1947 crop report showed wheat production to be 42 million bushels below November estimate. Because of the decline, *1947–48 supply* is now set at 1,449 million bushels.

We probably could *export* 450 million bushels and still have about 150 millions in stock next July 1. Exports of 450 million bushels would be by far the largest ever shipped by one Nation in a single year; and over half of the total expected to enter world trade in 1947–48.

PRICES PAID: Farmers are paying more for things they buy. The index of *prices paid by farmers* including interest and taxes in December was a record 245, 4 points above November and 33 above a year earlier.

PRICES RECEIVED BY FARMERS: There is little indication of a weakening in the forces supporting farm prices in the next few months.

AGRICULTURAL EXPORTS: In the third quarter of 1947 these were valued at 871 million dollars, below both the 1,027 millions in the second quarter and the 1,063 millions in the first . . . *Cotton* and *tobacco* accounted for nearly all of the decline. Tobacco exports dropped from 93 million dollars in the first quarter to 53 millions in the third. In the same period, cotton exports slumped from 169 million dollars to 33 millions.

The 540 million dollars appropriated under *Foreign Aid Act* for assistance to France, Italy, Austria, and China will tend to check further decline in agricultural exports in first part of 1946. Later, United States exports will depend largely on action taken on long range European Recovery Program.

SPRING PIG CROP: Farmers reported in December that they plan to breed about 7,732,000 sows to farrow next spring, about 11 percent less than a year earlier. If an average number of pigs per litter are saved, spring crop will be about 9 percent below 1947.

DAIRY PRODUCTS: Until May or June, farmers' prices for *milk* are likely to average somewhat above 1946–47. Prices of manufactured *dairy products* will stay above a year earlier. Butter prices will be relatively higher than the others.

EGGS: As production increases this winter and spring, prices of eggs probably will go down to support levels. Those levels will be at least as high as actual prices in 1947.

CHICKENS: Chicken prices probably will rise further as red meat gets scarcer and chicken slaughter falls off.

FEED GRAINS: In December, prices of feed grains and many byproducts were at or near a record. Prices of concentrates are expected to be highest in late winter and early spring, when corn and oats marketings will be seasonally small.

FRUITS AND VEGETABLES: Supplies of *fruit* are a little larger than last winter. Exports through spring are expected to be well below the first half of 1947. As a result, fruit prices probably will stay below a year earlier . . . The Department of Agriculture has bought about 190,000 tons of *dried fruit,* mostly raisins and prunes.

Commercial vegetable production in the first quarter of this year is expected to be about 8 percent above same months of 1947; 26 percent above average. Prices probably will rise moderately through March.

Prices of potatoes are expected to advance gradually through early spring . . . The January–March crop of *potatoes* is estimated at 1.2 million bushels, compared with 1.3 million in 1947 and the 1937–46 average of 1.5 millions.

Lumping together all kinds of tractors and farm machinery, wholesale prices in 1947 were about 30 percent above the 1935–39 average.

Because of increased labor and feed costs, many farmers find it pays to use more and more machinery. Farm wage rates and feed prices are now more than 200 percent above prewar. As a result, machine power has become more attractive to many farmers than before, and many are substituting machine power for labor and animal power.

Reflecting the smaller demand for horses and mules, prices per head in 1947 were below prewar. In fact, many animals suitable for further work were sold for slaughter. Exports of horses and mules were high in both 1946 and 1947. Large exports and increased slaughter have contributed to the high rate of decline of horse and mule numbers in recent years. Only 255,000 colts were raised in 1946, the smallest crop in more than a century. This total was about one-eighth as large as was raised annually around World War I and only about one-third as large as the average colt crop before World War I.

Many farmers who formerly produced workstock now find it more profitable to use their feed and other resources for producing meat animals or animal products for sale. Colt production in 1948 is expected to be even less than the small 1946 crop, owing largely to the low prices prevailing in most areas for horses and mules.

Despite the decrease in numbers of work animals on farms in the last decade, the flow of tractors and other machines onto farms has given to farmers an increasing volume of power and machinery. Volume of total power and equipment now on farms is probably about 40 percent above the 1935–39 average.

With production of farm machinery and motor vehicles in 1948 likely to be at record high levels, the increase in power and machines on United States farms may be larger in 1948 than in any previous year.

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Egg Processing

Production of liquid egg in December totaled 3,846,000 pounds compared with 16,604,000 pound a year earlier.

Only 162,000 pounds of dried egg were produced in December, compared with 3,947,000 pounds in December 1946. Production consisted of 16,000 pounds of whole egg, 88,000 pounds of dried albumen and 58,000 pounds of dried yolk. Production of dried egg during 1947 totaled 85,175,000 pounds, compared with 125,446,000 pounds in 1946.

Frozen egg production during December totaled 3,266,000 pounds compared with 3,594,000 pounds in December 1946. Production during the year totaled 364,886,000 pounds, compared with 392,218,000 pounds during 1946.

PEACHES

RESULTS of an on-the-spot check of the marketing of Colorado boxed peaches in St. Paul and Minneapolis markets are shown in a study recently completed under the new Research and Marketing Act.

Consumers in the Twin Cities indicated a preference for peaches picked at the firm ripe stage, rather than tree ripe or hard ripe. They also preferred either the large or small size packages they had been getting on the market—large boxes of about 60 peaches for canning and other quantity use, and small 2-pound containers for immediate use.

The Agricultural Situation is issued monthly by the Bureau of Agricultural Economics, United States Department of Agriculture. It is published by direction of the Secretary of Agriculture as administrative information required for proper transaction of the public business and approved by the Director of the Budget.

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Single copy 5 cents, subscription price, 50 cents a year, foreign 70 cents, payable in cash or money order to the Superintendent of Documents, Government Printing Office, Washington 25, D. C.

The AGRICULTURAL SITUATION is sent free to crop and price reporters in connection with their reporting work

Fertilizer For 1948

FARMERS in the current crop year will have available more fertilizers than ever before—about double the prewar quantities. There will be about 4 percent more nitrogen than last year, 5 percent more potash, and 6 percent more phosphate.

But in spite of these increases, supplies will not be big enough to meet all needs. Nitrogen will be particularly short, and potash will continue tight. Phosphate supplies are expected to be more nearly adequate.

About 816 thousand short tons of commercial nitrogen will be available as fertilizer this year, compared with about 785 thousand tons used last year. Phosphate for fertilizers will total 1,850 thousand tons P_2O_5, compared with 1,745 thousand tons last year. The supply of potash for fertilizers will be about 900 thousand tons K_2O, whereas 854 thousand tons were available last year.

As last year's tonnages in each case were at record highs, the quantities expected this year will set new records.

Nitrogen

This country is the world's largest producer and importer of nitrogen. Heavy imports are still necessary, even though domestic nitrogen production has risen greatly. We now use more than twice as much nitrogenous fertilizer in a year as we did before the war, and more than any other country.

Our estimated output of commercial nitrogen for fertilizer in the 1947–48 year is 690 thousand tons, compared with 665 thousand tons last year. The highest wartime production of fertilizer nitrogen was about 450 thousand tons in 1945; the 1934–38 average production was some 210 thousand tons. The increase of commercial production this year over last will be nearly all in the form of nitrogen solutions. Commercial production of the solid forms of nitrogen is expected to be about the same as last year. Solutions now make up a little more than one-third of our total commercial output of fertilizer nitrogen. The nitrogen contained in this form alone for 1947–48 exceeds the combined quantities in all forms of United States manufacture for fertilizer prior to 1940.

The International Emergency Food Committee of the Council of FAO, which recommends allocations of world supplies of nitrogen fertilizers to the respective countries, has earmarked 187 thousand tons of nitrogen to be imported by the United States. This nitrogen will come chiefly from Chile and Canada, with a small amount from Norway. We are scheduled to export to some 20 countries about 61 thousand tons of commercial nitrogen (57 thousand tons in solid material and 4 thousand in solutions). Our net imports will therefore be 126 thousand tons, about the same as last year.

Imports scheduled from Canada for 1947–48 will be somewhat smaller than last year. The reduction will be principally in calcium cyanamid. Imports from Chile, on the other hand, will be about 20 percent larger. About 637 thousand tons of nitrate of soda are expected this year, compared with 533 thousand tons received in 1946–47. Also, importers have advised that imports will be delivered on a more timely basis.

The whole supply of nitrogen available for use by farmers in the United States and possessions will be the domestic production of 690 thousand tons plus net imports of 126 thousand tons, or a total of 816 thousand tons.

None of this commercial nitrogen is going to the Army for occupied areas abroad. All the nitrogen we export to those areas is being produced by the Army in Government plants.

Phosphates

The expected phosphate supply of 1,850 thousand tons P_2O_5 for fertilizer this year will be the largest ever available to United States agriculture. This is an increase of 105 thousand tons P_2O_5 over last year, or about 6 percent. Most of the increase will come from the production of normal superphosphate. Production of concentrated superphosphate and wet base goods will be only slightly above last year. Exports and imports of phosphates are relatively small.

Potash

The supply of potash this crop year probably will be about 900 thousand tons of K_2O. This is an increase of

about 5 percent over last year.

Of the 900 thousand tons of K_2O expected to be available, 865 thousand tons will be produced from mineral deposits and lake brines in the United States. About 15 thousand tons will be imported from Europe, and the rest will come from other domestic potash sources. In the period 1934–38 about half of our supply of potash came from abroad. Before 1930, nearly all of it was imported.

The capacity for potash production in Europe is very large, especially in eastern Germany. Free movement of this potash in commerce would enable the needs of the United States to be met in full.

For the year ending next June 30, the consumption of processed fertilizer in the United States, including Hawaii and Puerto Rico, probably will exceed 17 million tons. This total, a new high, would contain around 3.6 million tons of actual plant food. Mixed fertilizers probably will continue to be somewhat more available to farmers than straight materials.

The previous record consumption was last year, when about 3.3 million tons of plant food were used in the form of well over 15 million tons of prepared fertilizer. From 1935 to 1939 the yearly average use of fertilizer was slightly less than 1.5 million tons of plant food contained in nearly 7.5 million tons of fertilizer.

The percentage of plant food in prepared fertilizer has been increasing for a number of years. However, the plant food content of the fertilizers distributed to farmers has not increased as rapidly in the last 15 years as the plant food content of the materials from which the fertilizers are made. Further increases in average plant food content could reduce the cost of transporting and handling fertilizer, and thus bring savings in the cost of fertilizers to farmers.

Fertilizer consumption has increased in all parts of the country since records were started in 1900. The most rapid increase came during and after World War II. Consumption at present is more than double prewar. Although the greatest percentage increase in the use of fertilizer has been in the Midwestern and Western States, the largest tonnage increases have been in the South and Southeast. Most areas would have used much more if supplies had been available.

The Army is now producing nitrogen fertilizer at Government ordnance plants for use in occupied areas. This is being used to bolster farm output in the zones of Germany, Japan, and south Korea for which the United States has responsibility. The program is designed to ease the occupation job in these areas without cutting down on commercial supplies of fertilizer in the United States.

The Army's nitrogen fertilizer program calls for monthly production of 65 thousand tons of ammonium nitrate. On an annual basis, this is about 250 thousand tons of nitrogen.

The Army's output is not included in commercial supplies. No part of the commercial supply of nitrogen is being taken by the Army.

The need for greater food production and replacement of soil fertility lost during the war has created the greatest world demand for fertilizers in history. Production of the three major ingredients—nitrogen, phosphate, and potash—is the largest on record. Yet, the world's fertilizer supplies are below requirements. Nitrogen fertilizer materials are critically short of needs, now estimated at over 50 percent above prewar.

Extension Report

NEARLY 4½ million farm men, women, and youth throughout the Nation got help during 1946 from the Cooperative Agricultural Extension Service in raising their standards of living, producing and marketing food and fibre, managing the home, and meeting a wide range of problems affecting rural people.

This was announced in the recent annual report of M. L. Wilson, director of Extension Work for the United States Department of Agriculture.

In addition, 2,100,000 nonfarm people got advice and information from extension on a variety of problems, including food production and canning and other homemaking activities.

Because nitrogen fertilizers are so short of world needs, international allocation of all nitrogenous fertilizer materials has been continued this year. International allocations of phosphates and potash were discontinued last June 30.

World requirements for nitrogenous fertilizers from July 1, 1947, to June 30, 1948, are recorded at 4.2 million tons nitrogen. Actual production will be about 3.2 million tons, which is 1 million tons short of requirements, slightly exceeding production during the years before World War II. The shortage of 1 million tons will be felt in every country that uses commercial fertilizers.

Fertilizers and the European Recovery Program

The European Recovery Program comprises an area of sixteen nations and western Germany: Austria, Belgium, Denmark, France, Greece, Iceland, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Sweden, Switzerland, Turkey, United Kingdom, and the US–UK and French Zones of Germany.

Before World War II this area used more commercial fertilizers than any similar area—about half the total used throughout the world. During most of the war, supplies of fertilizers were cut to the bone and the soils were starved for lack of plant food. Reduced livestock numbers lowered the quantity of animal manures; lack of good feedstuffs, especially oilseed meals, lowered the quality.

Since the war, production of commercial fertilizers has recovered largely. The amounts being produced, however, are much less than needed. As in other parts of the world, the greatest shortages relate to nitrogen. For a time, lack of coal held back production, but this no longer appears to be true. Top priority now has been given to coal for this purpose. The main bottlenecks now apparently are materials and equipment for repair and expansion of plants.

The 1950–51 goal of fertilizer use for the area as a whole is about twice the prewar consumption. Such an expanded use of fertilizer would play an important part in increasing food production. By the end of the period the participating countries as a group will have, according to their plans, increased production facilities for nitrogen to such an extent as to not only become self-sufficient but to have a small surplus for export. The area would expect to supply its own needs for phosphate and to obtain needed imports of potash from nearby European sources.

The total of the nitrogen requirements listed by the respective countries exceeds the combined prospective production of nitrogen for each of the first 3 years of the program. The deficit is 466 thousand tons for 1947–48, decreasing to 327 thousand tons for 1948–49, and 164 thousand tons for 1949–50. International Emergency Food Committee allocations for 1947–48 provide imports into the area of about 184 thousand tons. This quantity is comprised of 78 thousand tons from the United States (26 thousand commercial and 52 thousand Army shipments to Germany), 20 thousand tons from Canada, and 86 thousand tons from Chile. Since every ton of nitrogen in the world pool for 1947–48 has been allocated, and producing countries are not likely to make any large additional tonnages available, it seems improbable that much of the remaining deficit for the current year can be met.

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Dry Milk

Production of dry milk is feeling the effects of smaller output of milk on farms. In December, the output of all dry milk products, except roller-dried whole milk and dry skim milk for animal feed, was below a year earlier. November output of spray-dried whole milk, roller-dried whole milk, and dry skim milk for animal feed was above a year earlier. In October, production of all dry milk products, except buttermilk, exceeded the output of the corresponding month of 1946. Output of all dry milk products, other than roller-dried nonfat milk solids and spray-dried whole milk, exceeded 1946. Production of spray-dried whole milk, however, was 17 percent less than 1946 and that of roller-dried nonfat milk solids was 10 percent less.

Land Values Now and Later

WHAT happens to land values during the next few years is sharply important to farmers. To those who are deeply in debt for their farms, the future of land values will mean the difference between ownership and loss by foreclosure. And many other farmers are now wondering if they can afford to buy land at present prices.

Six years of record farm income have pushed land values to near the 1920 peak. Whether they go on up, level off, or fall depends largely on what happens to net farm income in the next few years. If farm land continues to earn at the high rate of recent years, even heavily indebted owners will be able to pay out. But many prospective buyers are showing that they do not count on the present high farm income to last indefinitely. This shows up in smaller increases in land values during 1947 than in earlier years.

Land values in the country as a whole increased only 1 percent during the 4 months ended November 1, 1947. In the same period a year earlier, values increased 3 percent. The tendency for land values to level off was even more evident in the South Atlantic States, where there was no change from March 1st. Increases of only 1 percent were shown for the Middle Atlantic and East North Central States.

While these estimates of present land values are of interest, many people are more interested in what may happen in the future.

With this in mind, the Bureau of Agricultural Economics continues to study land values. As part of its work, last fall BAE sent a group of questions to over 6,000 farm real estate dealers and others in close touch with the land market. One of the questions asked these reporters what they expect will happen to land values and the volume of land sales. Their replies show some interesting differences between regions. Although their opinions about future trends are only opinions, they are informed opinions. As such they are entitled to some weight.

In the Corn Belt, about half the reporters said they thought land prices would go still higher. Only 17 percent expected lower prices, but a third expected no great change in 1948. They were in more general agreement, however, about the future trend in the volume of sales. About two-thirds said they expected land sales to become fewer. This was also the general opinion of reporters in other regions. The limited statistical data we have shows that, for the Nation as a whole, the number of farm sales in 1947 was perhaps as much as a third below 1946.

In the Southeastern States, the reporters indicated that they expect a generally weaker farm real estate market than recently. Only 23 percent of the reporters said they expected prices to go higher, whereas about half of them expected prices to turn downward. An even higher percentage of the reporters forecast that fewer sales would be made—75 percent of the total, as compared with 66 percent of those in the Corn Belt. Reporters in the

Land Prices in Southeast

Average price per acre of farm land sold. 26 southeastern counties grouped by major source of farm income]

Major source of farm income	Number counties	Price per acre						Increase 1941–46
		1941	1942	1943	1944	1945	1946	
		Dollar	*Dollar*	*Dollar*	*Dollar*	*Dollar*	*Dollar*	*Percent*
Tobacco	6	48	52	56	65	70	85	77
Cotton	6	25	23	32	33	42	45	80
Livestock	4	34	41	47	49	51	58	71
General farming	9	21	26	24	30	37	39	86
Citrus [1]	1							
Groves	-------	344	386	428	676	678	967	181
Farmland	-------	18	19	19	32	48	58	222
Pasture	-------	3	3	4	5	6	11	267

[1] Sales of farm land in Lake County, Fla., were classified according to the major use of the land. Land in citrus, regardless of age or type, was considered to be groves. Farm land includes land for truck crops, general farming and land to be developed as groves.

Wage Rates

FARM wage rates rose 7 percent during 1947. Farm employment on January 1 was a little less than a year ago, mainly because of poorer weather this year.

Wage rates for farm workers on January 1 were about 3¾ times the 1935–39 average. Nationally, all classes of rates were from 6 to 8 percent higher than a year earlier. However, all rates except one—per month without board—declined seasonally from the October 1, 1947, level. A 1 percent increase occurred in the per month without board rate.

Southeast noted a growing resistance on the part of buyers to present asking prices and a tendency to stay out of the market until prices come down.

Land values do not behave the same in all areas. The farm real estate boom after World War I, for example, reached its peak in the Corn Belt, while in the New England States prices rose but little. Since 1940, land values in the Southeast have risen by a greater percentage than those in any other region.

Land values in the East South Central States as a whole (Kentucky, Tennessee, Alabama, and Mississippi) by November were 145 percent above the 1935–39 average. Kentucky has consistently led the Nation in the rise of land prices. Land values there are about 173 percent above prewar. Values in Tennessee now average 146 percent above prewar. Six other States in the Southeast—Virginia, North Carolina, South Carolina, Georgia, Alabama and Mississippi—all show increases of 100 percent or more. No other group of States of equal agricultural rank had increases as large.

These State estimates help show the wide upsurge in land values. However, a clearer picture of the land market is shown by a BAE study of individual farm sales in the Southeast. Records of nearly 24,000 farm transfers in sample counties have been brought together for the period 1941–46. These properties were worth about 95 million dollars, and involved over 2 million acres of land. The counties were chosen in a way designed to make sure that they represented the major type-of-farming area.

The survey shows that the average farm sold in the sample counties brought about $5,000 in 1946. Farms sold in the tobacco counties brought around $7,000, while those in the cotton counties sold for a little over $4,000. Sales of citrus groves were of small acreage—around 20 acres—but brought an average of $15,000 to $20,000 per grove.

Back in 1941, sales prices were only a little more than half as much per acre as in 1946. Tobacco farms sold for $48 per acre then, compared with $85 in 1946. Cotton farms in 1941 sold for around $25 per acre, but for $45 in 1946. Tracts in the general farming counties sold for $21 per acre in 1941 and $30 in 1946. Citrus groves jumped from around $350 an acre then to $967 (table 1). The average rise shown in the sample counties was about 15 percent per year. Increases during the 6 year period ranged from a low of only 23 percent in one county to a high of 179 percent in another. In about half of the counties, values went up by 100 percent or more. Values rose more in percent or more. Values rose more in the cotton areas, reflecting high returns from tobacco.

For the first 9 months of 1947, land prices were moderately above 1946 in some counties, but were below in others. Prices in 1947 in these southeastern counties probably went up less than in any year since 1942.

Some idea of how any big drop in the region in farm income would hit recent farm purchasers is given by the figures for purchase mortgages. Over half of the recent buyers in the sample counties paid all cash for their land. Their main loss from a drop in farm income would show up as a lower rate of return on their investment. Slightly less than half of all farm land sold in the region during 1941–46, in terms of acres as well as value, was bought under mortgages. Of this group, however, more than three-fourths of the properties were mortgaged for over half of the purchase price.

Thus, although fewer farms have been bought on credit since 1941 than during the World War I boom, large debts have been saddled upon many of those purchased.

In 1941 and 1942, credit buyers in the sample counties mortgaged their farms for over 70 percent of the purchase price. In the cotton and livestock counties, the ratio of debt to sales price averaged about 75 percent. After 1942, however, mortgage debt per acre climbed more slowly than the sale price. As a result, by 1946 the debt ratio was down to 66 percent. But over 4 out of 10 of the credit sales in the region were still tied to mortgages for three-fourths or more of the purchase price. Unless purchasers in this group pay off much of their debt while times are good, many of them will be in trouble later on.

The present smaller debt ratio may tend to hide the fact that credit buyers in 1946 took on much larger average debts than in earlier years. The average per tract mortgaged in the sample counties jumped from $2,652 in 1941 to $3,866 in 1946, a rise of 46 percent. In many cases the mortgage was for more than the farm's 1941–42 value. Too often, the down payment nowadays covers less than the farm's recent rise in price.

The rate of interest charged and how soon the mortgage is due are also important items for owners with big mortgages. Many of the mortgages studied in the southeast were for short terms. At least a third of them were due within one year after made. A high proportion of the bank mortgages were for short periods. In the counties farthest south, the typical bank mortgage was due within 1 year, but renewable so long as the interest was paid. Many of these short-term mortgages carried higher rates of interest than the longer term mortgages.

The picture adds up roughly to this. A lot of high wartime earnings from farming have gone into payments on farm land. Many farmers who went heavily into debt early in the war have paid their mortgages down to a safe level. But there is also a sizeable group of farmers who are borrowing heavily for the purchase of farmland. Obviously they are hoping their income will stay up long enough for them to make the grade. These buyers, though fewer in number, are taking a risk that may be fully as great as was taken by land buyers in 1920.

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Turkey Crop

TURKEY growers plan to reduce turkey production in 1948 by 18 percent, the Bureau of Agricultural Economics reported in January. If growers carry out their intentions the number of turkeys raised this year will be 23,470,000, compared with 34,667,000 in 1947. This would be the third successive year of reduction following the peak of 1945. Growers' returns indicated that the 1948 crop will be the smallest since 1938.

Honey

HONEY production last year totaled 228,162,000 pounds. This output was 7 percent above 1946 and 13 percent above the 1941–45 average. Production was up sharply in the North Atlantic, West North Central, and South Central regions. It was about the same as in 1946 in the West and was down in the East North Central and South Atlantic sections.

This estimate is based upon reports from about 6,000 beekeepers including both farm and nonfarm apiaries.

Mid-December stocks of honey on hand for sale totaled 62,408,000 pounds, compared with 10,787,000 pounds a year earlier. Beeswax production totaled 4,492,000 pounds, about 3 percent above 1946. Honey left on the hive for winter stores averaged 41.4 pounds per colony, compared with 37.1 pounds for the 1946–47 winter feeding season. The 1947 honey crop was produced by 5,910,000 colonies of bees.

Favorable fall weather resulted in a good late flow of honey, which increased the crop 18 million pounds over producers' September expectations. The 10 leading commercial honey States produced 130 million pounds of honey or 57 percent of the total production. These States ranking in the order of production are Iowa, Minnesota, California, New York, Texas, Wisconsin, Ohio, Florida, Michigan, and Pennsylvania.

As Women See Textile Products

HOW different textile fibers and products stack up against each other in terms of approval by women consumers is shown in a report, "Women's Preferences for Selected Textile Products," made by the Bureau of Agricultural Economics. The report also indicates the reasons for the preferences indicated.

The findings were obtained in a Nation-wide sample survey. Nearly 1,800 women were interviewed—in cities, towns, and rural areas. Those interviewed were chosen in a way designed to make the total sample be representative of the Nation's 45 million women between ages 18 to 65. The survey covered 16 items of women's clothing and household fabrics, including house dresses, summer street dresses, one-piece winter street dresses, short-sleeved blouses, summer slips, nightgowns and pajamas, special coats for rainy weather, full length stockings, anklets, tablecloths, bedspreads, blankets, dish towels, aprons, and curtains.

Only 59 percent of the women interviewed said they buy ready-made house dresses, and 41 percent said they did not. Only 28 percent use raincoats, while 72 percent get along with other types of coats or use umbrellas.

Similarly, 21 percent do not buy summer street dresses, and 22 do not buy one-piece winter street dresses. Around 45 percent buy short-sleeved blouses, and 13 percent do not buy summer slips. About a fourth of the women interviewed said they made their own nightgowns or pajamas, and do not buy these ready made.

A little over half of the homemakers said they do not buy ready-made tablecloths or place mats. About 14 percent do not buy ready-made bedspreads. And 4 out of every 10 women said they do not buy part-wool blankets. Only about 3 out of every 10 buy ready-made aprons and dish towels, and about 1 out of every 4 said "no ready-made curtains for me."

Stockings and anklets were made part of the survey. Most of the women who bought anklets preferred those that were made of cotton. But for full length stockings, nearly all chose nylon. Only 5 percent chose cotton stockings, 13 percent rayon, and 74 percent other fibers, mainly nylon.

The home-makers who were interviewed tended to choose cotton for their ready-made house clothing, bedspreads and curtains. But for ready-made street dresses, most of them wanted wool, rayon, and mixed fibers. If these findings are representative, they would indicate that about 23 million of the nearly 27 million women who buy ready-made house dresses prefer these dresses to be of cotton cloth. Only 3 percent of those interviewed prefer rayon in this type of garment. For ready-made summer street dresses, cotton and rayon were equally in favor. Of the women who buy ready-made winter street dresses, the survey indicates only 2 percent prefer cotton; 29 percent prefer rayon; 42 percent prefer wool; and 22 percent prefer wool mixed with cotton, rayon or silk.

Of those who buy table covers ready-made, 56 percent of the women interviewed said they prefer covers made of cotton; 2 percent said they prefer covers of rayon; 5 percent wanted mixed fibers; and 23 percent preferred other fibers, mainly linen. Of those who buy raincoats, 29 percent want theirs of cotton; 15 percent want rayon; 16 percent prefer mixed fibers; and about 13 percent prefer plastic materials.

Women were asked what qualities made them like one fabric above another. A large majority of the group favor cotton over rayon in terms of wearing qualities, ease of laundering, and strength at the seams. Most of those interviewed said they thought cotton looks nicer than rayon after washing, but in the quality of feeling good next to the skin, more than twice as many preferred rayon as cotton. In regard to coolness and tendency to wrinkle, the choice between cotton and rayon was just about a stand-off.

About 8 out of every 10 women who said they prefer ready-made house dresses of cotton said they do so because of the better laundering qualities of cotton. About 5 out of every 10 said they like cotton because it is durable. Those who found fault with ready-made cotton house dresses complained of poor workmanship and bad fit, rather than about the fiber itself. Most of those finding fault with rayon house dresses said these dresses did not wear

well and were subject to fraying and splitting.

The women who make their own dresses said they do so to save money and because they can be surer of getting good workmanship and fit. They also claim that yard goods from which they make their own dresses, particularly their street dresses, are of better quality than the fabrics of ready-made dresses.

The report suggests that, if women were convinced the fabrics of ready-made street dresses were of equal or better quality than yard goods, many of those who now make their own might buy them ready-made. And if they could be convinced that the workmanship and style of ready-made house dresses were as good or better than those they make for themselves, they might swing to the ready-made.

The survey indicates that most of the present market for ready-made house dresses and street dresses is in the large towns and cities, while much of the potential market for such dresses is in the rural areas where many women now are inclined to make their own.

In a list of eight favorable qualities from which to choose, the women who were interviewed generally put laundering and cleaning qualities, style, and workmanship or durability ahead of price. There is evidence, however, that in emphasizing these other qualities the women assumed the articles would sell within a reasonable price range. For when asked a direct question about price, two-thirds of the women said they paid as much attention to cost as to other factors. They seem to say: "First, give us something suitable to choose from, then we'll argue price with you." Price is always important.

Businessmen who study this report will learn much about possible new customers for many of their items in the country towns and rural areas.

Feed Supplies for the Northeast

LIVESTOCK and poultry farmers in the Northeastern States face a short feed supply situation. Their supply of feed concentrates in the first half of this year will be much below a year earlier. This year, however, smaller supplies are being reflected in higher feed costs, rather than in an actual shortage of feed on the market, as was the case during some of the war years.

Even in ordinary years, the Northeastern States—New York, Pennsylvania, New Jersey, Connecticut, Rhode Island, Massachusetts, Vermont, New Hampshire, and Maine—depend heavily on in-shipments of grain. In the next few months, however, less grain will come in from other areas than in 1947. And locally grown feed supplies are down considerably.

Livestock numbers in the region are at a fairly high point. In addition, prices of livestock and livestock products are unusually high. As a result, demand for feed is exceptionally strong. Feed requirements in the Northeast during the first half of 1948 will be well above prewar and about as large as a year ago. Livestock and poultry numbers are above prewar, though below the war-peak.

Feed supplies may tighten further in the next few months, as supplies of local feeds shrink and marketings of grain from other areas fall off seasonally. The region's total supply of locally grown feed grains last October 1 was about 18 percent below a year earlier. Farmers fed out a good deal of feed in the last quarter of 1947. Stocks of corn and oats (the principal feed grains produced in the region) were 21 percent below the large store on hand at the beginning of 1947. Smaller stocks of local grains will mean less grain for poultry scratch feeds, locally mixed dairy feeds and for feeding hogs and work stock.

Even more important is the outlook for in-shipments. In recent years, over half of the Northeast's supply of feed concentrates has been shipped in from other areas. In the first 6 months of 1947, 2,370,000 tons of feed grains and 1,090,000 tons of byproduct feeds were shipped in by rail. In addition railroads brought in about 725,000 tons of commercial mixed feeds. In the first 6 months of 1946, net in-shipments of feed grains by rail totaled about 1,625,000 tons, plus 1,530,000 tons of byproduct feeds. These figures do not include shipments by truck or water. Data on in-shipments of commercially prepared feeds were not compiled before 1947.

Much of the expected cut in feed inshipments in January–June will be in feed grain. This outlook is based mainly on two factors: (1) the prospect for a 40 percent drop from 1947 in total United States farm marketings of corn, and (2) an expected reduction from last year in sale of oats by farmers in the North Central region.

On the other hand, the supply of protein feeds in the Northeast may be a little above 1946–47. If so, farmers may have a better protein balance in poultry and dairy rations. Dairymen generally will have an ample supply of hay, though hay quality is below average.

Northeastern farmers cannot expect much grain from Canada this season. Canada has restricted its feed grain exports, because its feed supplies are low. In 1943–45 oats, barley, and wheat from Canada were a big source of feed for this area and for the entire Great Lakes region. In 1943 and 1944 about 80 million bushels of oats and 40 million bushels of barley came in each year from Canada. In 1944, about 136 million bushels of wheat were imported, largely for feed. Much of this total went to the North Atlantic region for dairy and poultry feed. But in the past year, imports from Canada have slowed down to a trickle.

Dairying and poultry production are key enterprises in this region. Dairy cows and poultry usually take about 75 percent of all the feed concentrates that are fed. During the war, dairy cattle numbers rose moderately and poultry numbers shot up rapidly. The larger numbers of dairy cattle and poultry have been about maintained since the war. These gains have more than offset the decline in number of horses and mules since prewar.

Hog numbers, after a wartime rise, are now down to about the prewar average. The 1947 fall pig crop in this area was about as large as in 1946. However, pigs probably will be fed to lighter weights than last year. The spring pig crop this year may be about 11 percent below 1947.

The number of milk cows on farms is about as large as a year ago and only a little below the war peak. Also, milk production per cow on January 1 was above the prewar average and only 3 percent below a year ago.

The region's greatest increase in livestock from prewar has been in poultry and eggs. Since 1943, the number of layers on farms has been much above prewar. In the past year, poultry flocks were well fed. On January 1, the number of layers on farms was a little larger than a year earlier and about one-third above the 1937–41 average.

With smaller feed supplies and less favorable feed-price ratios, some cut from last year in the quantity of concentrates fed is in prospect. Mainly, this will mean a lower rate of feeding of dairy cows and closer culling of poultry flocks.

The smaller feed supply available this year is already reflected in higher feed costs, as in other areas. In Mid-January the cost of poultry ration was about 47 percent higher than in January 1947 and mixed dairy feed was 35 percent higher. Feed prices are expected to stay high at least through the first half of 1948. Prices of protein feeds and hay are not as high as usual in relation to the feed grains. Dairymen are finding it desirable to feed hay liberally. Both dairy and poultry producers find it more helpful than usual to have feed rations well balanced in protein.

MALCOLM CLOUGH
Bureau of Agricultural Economics

Feed Grains

Stocks of feed grains in all positions on January 1 were relatively small. Disappearance in the October–December quarter was smaller than usual.

Corn stocks of 1,567 million bushels were down 29 percent from January 1, 1947, and 24 percent below the average of the preceding 4 years. Most of the corn is still on farms.

Oat stocks of 790 million bushels, were less than on January 1 of the previous 2 years. Barley stocks of 188 million bushels were slightly above a year earlier.

Sorghum grain stocks on January 1 are estimated in all positions for the first time, as a project under the Research and Marketing Act of 1946. The total was 45.5 million bushels.

New Land for Farms

EVEN while turning out record production, farmers in the past few years have been improving their land and adding to their productive acreage by draining, clearing, and irrigation. They are bringing in new cropland at near the long-time rate of one to one and a half million acres per year.

Tractors, bulldozers, and other power machinery—now found on many farms—are taking the leading role in present land development. More than a third of the Nation's farms now have tractors, compared with only 14 percent in 1930. Widespread use of the all-purpose tractor, together with bulldozers, ditchers, graders, and other machinery, has aided land development on many farms.

New land development is likely to speed up in the years just ahead. Many flood control, drainage, and irrigation works are being undertaken. These will enable farmers to have larger farms in many areas. In other areas, the new land will go into new farms. To some extent, it will open new farming opportunities to young farm people.

Public programs for land improvement have taken on greater vigor during the last 3 years. Large funds have been put into drainage, flood control, and irrigation works.

In the soil conservation districts, drainage investigations and operations have been carried out on several hundred thousand acres of new land each year since the war. Since 1944 drainage work has been expanding in most regions.

Likewise, the agricultural conservation program has aided in the drainage, clearing, and preparation of several hundred thousand acres per year since 1945.

Over a million more acres of land are now being irrigated from Federal reclamation projects than in 1940. The Agricultural Census for 1945 shows that the land irrigated, from all types of projects, both public and private, went up 2.6 million acres from 1939 to 1944. However, not all of this rise was in new cropland. Much of it was fallow, idle, and pasture land already subject to irrigation, or dry cropland to which water was made available.

Federal reclamation projects will continue to bring in new land. In the next five or six years, it is estimated, they will provide initial irrigation service for about 1,000,000 more new acres and furnish supplemental water for 1,500,000 other acres. Flood control work of the army engineers will reduce flood hazards eventually on hundreds of thousands of acres in the Mississippi Delta and other valley areas.

In the past quarter century about 35 to 40 million new acres of cropland and improved pasture land have been drained, cleared, or irrigated. This is in addition to that brought into cultivation by plowing up western grassland. This new acreage has more than replaced in productivity almost an equivalent area which has gone into building towns, roads, and airports, flood control uses, power and water supply reservoirs, parks, and military posts, or gone back to pastures or trees.

A good deal of the new acreage developed in the past 25 years has gone to make old farms bigger. The average size of farms has grown nearly 50 acres, from 148 to 195 acres. The size of farms in the Corn and Wheat Belts, where machinery is used more than ever before, grew the most, as measured by cropland. However, the average expanded also in parts of the South, and in the Western States.

New land is coming in all the time. For the most part, the rise now is unspectacular—a wet spot is drained, a few acres of woodland are cleared for crops or pasture, stones and brush are gathered up, or a block of dry land is leveled, plowed, and irrigated.

Some land development facts were found in a sample survey made by the Bureau of Agricultural Economics in 1945 and 1946. In this period, it was found, 3 percent of the sample farms cleared some land of trees and brush. About 4 percent of the sample farmers reported they did some land drainage work during the year. From this survey, it appears that 1,000,000 acres or more of farm land were developed by clearing and drainage during the year. Probably the acreage of new land prepared for initial irrigation recently has been about 200,000 acres per year.

Most of the increase in crop acreage during the war and since came from planting idle and fallow cropland, pasture land, and from plowing up grazing

land in the West, and not from development of new land. In many areas, new land brought into cultivation during the past few years has been a very small part of the acreage available for farming.

In the Eastern States, for example, as much or maybe more cropland has been shifted to pasture, forest, and other uses in the last 10 or 15 years as has been newly developed for crops.

Undeveloped land suitable for farming still exists in some regions. Many new farms can and will be created. But bringing in new farms will be slow and costly. In some cases, public improvements, such as drainage ditches, roads, irrigation and flood-control works, will be required.

Of course, not all the land now unused could or should be developed. Even for much land that is physically suitable, development is unprofitable now and for the foreseeable future.

Many factors determine which lands will be made into farms. Among them are other work opportunities for people and availability of markets; also costs of development, need for enlargement of existing farms, and productivity of new land.

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Bureau of Agricultural Economics

Rye stocks of 14.4 million bushels in all positions on January 1, 1948, were larger than on January 1 in either of the two previous years, but only a little over half as large as on January 1, 1945, and one-third those of January 1, 1944. About half of the current stocks were on farms, a larger proportion than usual. Disappearance of rye in the October–December quarter was 7.2 million bushels in 1947, compared with 4.7 million in 1946, nearly 7.7 million in 1945, about 8 million in 1944 and nearly 11 million bushels in 1943. More than half of the supply of 28.3 million bushels (carry-over of 2,346,000 bushels plus new production of 25,977,000 bushels) is still in storage, a larger proportion than in any of the preceding 3 years.

Prices of Farm Products

[Estimates of average prices received by farmers at local farm markets based on reports to the Bureau of Agricultural Economics. Average of reports covering the United States weighted according to relative importance of district and State]

Commodity	5-year average		Dec. 15, 1946	Nov. 15, 1947	Dec. 15, 1947	Parity price, Dec. 15, 1947
	August 1909–July 1914	January 1935–December 1939				
Wheat (bushel)—dollars	0.884	0.837	[1] 1.93	2.74	2.79	2.17
Rye (bushel)—do	.720	.554	2.18	2.49	2.45	1.76
Rice (bushel)—do	.813	.742	[1] 2.31	2.72	2.82	1.99
Corn (bushel)—do	.642	.691	1.22	2.19	2.37	1.57
Oats (bushel)—do	.399	.340	.808	1.09	1.18	.978
Barley (bushel)—do	.619	.533	1.36	1.87	2.00	1.52
Sorghum grain (100 pounds)—do	1.21	1.17	1.97	3.29	3.61	2.96
Hay (ton)—do	[2] 11.87	8.87	17.70	17.30	18.10	29.10
Cotton (pound)—cents	12.4	10.34	29.98	31.87	34.06	30.38
Cottonseed (ton)—dollars	22.55	27.52	91.50	89.10	94.80	55.20
Soybeans (bushel)—do	[2] .96	.954	2.75	3.43	3.69	[3] 2.35
Peanuts (pound)—cents	4.8	3.55	8.89	10.1	10.1	11.8
Flaxseed (bushel)—dollars	1.69	1.69	6.94	6.48	6.67	4.14
Potatoes (bushel)—do	[4] .697	.717	1.26	1.66	1.72	1.83
Sweetpotatoes (bushel)—do	.878	.807	2.10	1.95	2.04	2.15
Apples (bushel)—do	.96	.90	[1] 2.52	2.17	2.28	2.35
Oranges on tree (box)—do	[5] 2.29	1.11	1.57	.93	.69	3.73
Hogs (hundredweight)—do	7.27	8.38	22.80	24.20	24.90	17.80
Beef cattle (hundredweight)—do	5.42	6.56	16.50	18.80	19.80	13.30
Veal calves (hundredweight)—do	6.75	7.80	17.00	21.40	22.30	16.50
Lambs (hundredweight)—do	5.88	7.79	18.70	20.80	21.30	14.40
Butterfat (pound)—cents	26.3	29.1	87.0	78.0	87.7	[6] 70.5
Milk, wholesale (100 pounds)—dollars	1.60	1.81	[1] 5.10	[1] 4.90	5.02	[6] 4.29
Chickens (pound)—cents	11.4	14.9	27.4	24.9	25.2	27.9
Eggs (dozen)—do	21.5	21.7	47.0	53.4	58.7	[6] 63.2
Wool (pound)—do	18.3	23.8	41.1	40.8	40.9	44.8

[1] Revised.
[2] Comparable base price, August 1909–July 1914.
[3] Comparable price computed under sec. 3 (b) Price Control Act.
[4] 1919–28 average of $1.12 per bushel used in computing parity.
[5] 1919–28 average for computing parity price.
[6] Adjusted for seasonal variation.

Year and month	Industrial production (1935-39=100)[1]	Income of industrial workers (1935-39=100)[2]	1910-14=100					Index of prices received by farmers (August 1909-July 1914=100)			
			Average earnings of factory workers	Wholesale prices of all commodities[3]	Prices paid by farmers		Farm wage rates[4]	Livestock and products			
					Commodities	Commodities, interest, and taxes		Dairy products	Poultry and eggs	Meat animals	All livestock
1910-14 average	58	50	100	100	100	100	100	100	101	101	101
1915-19 average	72	90	152	158	151	150	148	148	154	163	158
1920-24 average	75	122	221	160	161	173	178	159	163	123	142
1925-29 average	98	129	232	143	155	168	179	160	155	148	154
1930-34 average	74	78	179	107	122	135	115	105	94	85	93
1935-39 average	100	100	199	118	125	128	118	119	109	119	117
1940-44 average	192	234	325	139	150	147	212	162	146	171	164
1945 average	203	290	403	154	180	174	350	197	196	210	203
1946 average	170	270	391	177	203	194	378	242	198	256	240
1946											
December	182	305	417	206	225	213		312	226	311	294
1947											
January	188	308	419	207	227	215	399	292	201	306	281
February	190	309	421	211	234	221		270	192	319	272
March	189	313	425	218	240	226		269	199	345	298
April	187	309	423	216	243	229	397	257	204	331	282
May	185	313	432	215	242	228		241	203	327	275
June	184	319	440	216	244	230		233	205	338	278
July	177	313	436	220	244	230	404	244	220	343	286
August	182	324	436	224	249	234		258	224	349	295
September	186	[5] 333	448	230	253	238		282	246	367	315
October	190	335	[5] 454	231	254	239	404	283	251	360	313
November	192	342	457	233	257	241		293	242	338	304
December					[5] 262	245		311	262	352	320

Year and month	Index of prices received by farmers (August 1909-July 1914=100)								Parity ratio[6]
	Crops							All crops and livestock	
	Food grains	Feed grains and hay	Tobacco	Cotton	Oil-bearing crops	Fruit	Truck crops	All crops	
1910-14 average	100	101	102	96	98	99		99	100	100
1915-19 average	193	164	187	168	187	125		168	162	106
1920-24 average	147	126	192	189	149	148	[7] 143	160	151	86
1925-29 average	140	119	172	145	129	141	140	143	149	89
1930-34 average	70	76	119	74	72	94	106	86	90	66
1935-39 average	94	95	175	83	106	83	102	97	107	84
1940-44 average	123	119	245	131	159	133	172	143	154	103
1945 average	172	161	366	171	215	220	224	201	202	116
1946 average	201	195	382	228	244	226	204	226	233	120
1946										
December	224	186	406	242	334	211	166	232	264	124
1947										
January	223	184	399	240	336	196	238	236	260	121
February	235	185	390	246	334	203	275	245	262	119
March	283	212	390	257	360	215	299	266	280	124
April	277	223	387	260	358	223	295	269	276	121
May	276	218	390	270	326	222	286	268	272	119
June	253	240	390	275	318	228	215	262	271	118
July	251	253	390	289	314	215	189	263	276	120
August	246	270	383	267	308	177	211	255	276	118
September	278	297	352	252	311	181	179	254	286	120
October	302	284	357	247	344	166	238	261	289	121
November	312	283	354	257	349	151	272	268	287	119
December	318	305	377	275	367	149	294	281	301	123

[1] Federal Reserve Board represents output of mining and manufacturing; monthly data adjusted for seasonal variation.

[2] Computed from data furnished by Bureau of Labor Statistics and Interstate Commerce Commission on pay rolls in mining, manufacturing, and transportation; monthly data adjusted for seasonal variation. Revised April 1947.

[3] Bureau of Labor Statistics.

[4] Monthly data adjusted for seasonal variation.

[5] Revised.

[6] Ratio of prices received to prices paid for commodities, interest, and taxes.

[7] 1924 only

Wheat and Rye Stocks

ABOUT 795 million bushels of wheat were stored in all positions on January 1, the Bureau of Agricultural Economics reports. Rye stocks of 14.4 million bushels were larger than on January 1 in the two preceding years. Stocks of wheat were nearly one-fourth above a year earlier and one-sixth larger than on January 1, 1946.

From a supply of nearly 1,449 million bushels (a very small carry-over of 83,673,000 bushels, plus the record crop of 1,364,919,000 bushels) the disappearance to January 1 is computed at over 653 million bushels. In comparable July–December periods, this disappearance was exceeded only in 1945, when it was 705 million bushels. Disappearance in the October–December quarter was 327 million bushels, compared with 307 million in the same period of 1946 and 338 million bushels in 1945. In no other October–December quarter has disappearance exceeded 300 million bushels.

Included in January 1 reserves were quantities estimated by the Crop Reporting Board—428 million bushels on farms, 112 million bushels at merchant mills and 111 million bushels in interior mills, elevators, and warehouses—as well as 142 million bushels of commercial stocks at terminals and 3.1 million bushels in transit owned by Commodity Credit Corporation. Other CCC-owned wheat is included in the estimates by positions. No estimate is made for other wheat in transit. The off-farm portion of the total is nearly 368 million bushels on January 1, 1946.

UNITED STATES
DEPARTMENT OF AGRICULTURE
BUREAU OF AGRICULTURAL ECONOMICS
WASHINGTON 25, D. C.
OFFICIAL BUSINESS

U. S. GOVERNMENT PRINTING OFFICE: 1948